

1 STATE OF ILLINOIS  
2 ILLINOIS COMMERCE COMMISSION

3 TELEPORT COMMUNICATIONS AMERICA, LLC

4 No. 12-0555

5 Application for a certificate of  
6 local and interexchange authority  
7 to operate as a reseller and  
8 facilities based carrier of  
9 telecommunications services  
10 statewide in the State of Illinois  
Chicago, Illinois  
November 14, 2012

11 Met, pursuant to notice, at 11:10 a.m.

12 BEFORE:

13 MS. BONITA BENN, Administrative Law Judge

14 APPEARANCES:

15 MS. NANCY J. HERTEL

225 West Randolph Street

Chicago, Illinois 60606

16 (312) 727-4517

for Teleport Communications America, LLC

17 MS. KAREN CHENG

18 527 East Capitol Avenue

Springfield, Illinois 62701

19 for ICC staff witness

20 L.A. COURT REPORTERS

21 Sylvia N. Franklin

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I N D E X

Re- Re- By

Witnesses: Direct Cross Direct Cross Examiner

Scott Walker

E X H I B I T S

NumberFor IdentificationIn Evidence

None. 6 6

1 JUDGE BENN: Pursuant to the direction of the  
2 Illinois Commerce Commission, I now call Docket  
3 No. 12-0555. This is Teleport Communications America, LLC, an  
4 application for a certificate of local and interexchange  
5 authority to operate as a reseller and facilities based carrier  
6 of telecommunications services statewide in the State of  
7 Illinois.

8 Could I have counsel introduce herself for the  
9 record.

10 MS. HERTEL: Appearing on behalf of Teleport  
11 Communications America, LLC, Nancy Hertel, H-e-r-t-e-l, 225 West  
12 Randolph Street, Chicago, Illinois 60606.

13 JUDGE BENN: And Commission Staff, please.

14 MS. CHENG: My name is Karen Cheng. I'm  
15 staff for the Illinois Commerce Commission. My location is 527  
16 East Capitol Avenue, Springfield, Illinois 62701.

17 JUDGE BENN: Okay. I just want to state for  
18 the record this matter is initiated by Teleport Communications  
19 America, LLC. The applicant seeks authority to operate as a  
20 facilities based and reseller of local and interexchange  
21 telecommunications services pursuant to Sections 13-403, 13-404,  
22 and 13-405 of the Public Utilities Act. I'm noting that this is

1 an evidentiary hearing, and the applicant must show and possess  
2 a sufficient technical financial and managerial resources to  
3 provide local and interexchange telecommunications in the State  
4 of Illinois.

5 I will turn to Ms. Hertel, and can you  
6 tell me who your witness will be, please?

7 MS. HERTEL: Yes, my witness is Scott Walker,  
8 W-a-l-k-e-r. He's a regulatory relations area manager at AT&T  
9 Services, Inc. And at this time, may I call my witness?

10 JUDGE BENN: Yes. Go ahead. Mr. Walker.

11 MR. WALKER: Okay.

12 JUDGE BENN: Could you please raise your  
13 right hand.

14 MR. WALKER: Yes, ma'am.

15 JUDGE BENN: Do you swear to tell the truth  
16 the whole truth and nothing but the truth?

17 MR. WALKER: Yes, ma'am.

18 (Witness sworn.)

19 JUDGE BENN: You can proceed with your  
20 witness. Mr. Walker, I am going to allow Ms. Hertel to ask you  
21 a few questions.

22 MS. HERTEL: Mr. Walker, will you state your name

1 for the record and give us your business address.

2 MR. WALKER: Scott Walker, Room 1327,  
3 1010 North St. Mary's Street, San Antonio, Texas 78215.

4 MS. HERTEL: And by whom are you employed, and in  
5 what capacity?

6 MR. WALKER: AT&T Services, Inc., and I'm a  
7 regulatory relations area manager.

8 MS. HERTEL: Have you reviewed the application, and  
9 are you familiar generally with the application in this  
10 proceeding?

11 MR. WALKER: Yes, ma'am.

12 MS. HERTEL: And in the course of this  
13 proceeding, did you cause to be filed ten pages of testimony  
14 that have been marked as Exhibit 1.0?

15 MR. WALKER: Yes, ma'am.

16 MS. HERTEL: And attached to that testimony,  
17 were there three Schedules, SW-1, SW-2, and SW-3?

18 MR. WALKER: Yes, ma'am.

19 MS. HERTEL: Are there any changes or  
20 corrections that you want to make to your testimony or to the  
21 Schedules?

22 MR. SCOTT: No, ma'am.

1 MS. HERTEL: And if I ask you those questions today,  
2 would your answers be the same?

3 MR. SCOTT: Yes, ma'am.

4 MS. HERTEL: I would move to admit into the record  
5 Teleport Communications America, LLC Exhibit 1.0 along with  
6 Schedules SW-1, SW-2, and SW-3.

7 JUDGE BENN: Ms. Cheng, I assume you have no  
8 objection to counsel's motion to move the application and the  
9 attachments into the record?

10 MS. CHENG: Staff has no objection. Thank you.

11 (WHEREUPON, Exhibit No. 1.0 was  
12 received and admitted into  
13 evidence.)

14 JUDGE HERTEL: Then I will allow Ms. Cheng --  
15 I'll grant your motion to move the application into the record  
16 with the attachments, and I'll allow Ms. Cheng an opportunity to  
17 ask the witness any questions.

18 MS. CHENG: Okay. Mr. Walker, how long have  
19 you been with AT&T Service, Inc.?

20 MR. WALKER: Forty-one years.

21 MS. CHENG: All right. And you are familiar  
22 with this application, sir?

1 MR. WALKER: Yes, ma'am.

2 MS. CHENG: Okay. In the application you are

3 requesting for the books and records of the applicant to be kept

4 outside of Illinois. Are you aware of that?

5 MR. WALKER: Yes, ma'am.

6 MS. CHENG: Okay. Where will the books and records

7 be kept at?

8 MR. WALKER: In Bedminster, New Jersey, and

9 Ms. Hertel probably has got the address. I do not.

10 MS. CHENG: Okay. Will the applicant make

11 the books and records available for staff's review if requested?

12 MR. WALKER: Yes, ma'am.

13 MS. CHENG: Okay. That, your Honor, is all

14 of my questions. Thank you.

15 JUDGE BENN: Okay. Thank you. I have a few

16 questions that I just want to have statements on the record for.

17 So, I'll just start with the formation of the LLC.

18 Can you please tell me which state the

19 LLC has been formed?

20 MR. WALKER: I'm sorry, ma'am, was that

21 question for me?

22 JUDGE BENN: Yes, it was. I'm sorry,

1 Mr. Walker. Mr. Walker, please tell me in which state Teleport  
2 Communications America, LLC has been formed?

3 MR. WALKER: Well, our application is for Illinois.

4 JUDGE BENN: Which state was the limited  
5 liability corporation formed in?

6 MR. WALKER: Delaware.

7 JUDGE BENN: Okay. Thank you.

8 MR. WALKER: Yes, ma'am.

9 JUDGE BENN: And at the present time, does  
10 the applicant maintain the authority to transact business in  
11 Illinois with the Secretary of State's Office?

12 MR. WALKER: Teleport Communications does not  
13 at this time have a certificate.

14 JUDGE BENN: I'm asking about the certificate of  
15 authority to transact business with the Secretary of State's  
16 Office.

17 MR. WALKER: Yes, ma'am.

18 JUDGE BENN: So you did maintain the  
19 certificate to transact business with our Secretary of State's  
20 Office?

21 MR. WALKER: Yes, ma'am.

22 JUDGE BENN: Okay. If you know, can you tell



1 me any other states where the applicant has an authority to  
2 provide local and interexchange telecommunications services?

3 MR. WALKER: Yes, ma'am. Texas, Wisconsin. Texas  
4 would be one state. I can provide you with all the - I believe  
5 that we're certificated in -- Teleport operates in 22 states.

6 JUDGE BENN: Okay.

7 MR. WALKER: But I can provide that  
8 information if you need it.

9 JUDGE BENN: Okay. I'll note that for the  
10 record.

11 To your knowledge, Mr. Walker, has  
12 Teleport Communications America, LLC ever been denied a  
13 certificate of authority in any jurisdiction?

14 MR. WALKER: No, ma'am.

15 JUDGE BENN: Okay. To your knowledge, has  
16 the applicant ever had any certificates of authority revoked or  
17 suspended or any complaints initiated against it in any  
18 jurisdiction?

19 MR. WALKER: No, ma'am.

20 JUDGE BENN: Okay. Can you tell me,  
21 Mr. Walker, how the applicant intends to handle its consumer  
22 billing matters?

1                   MR. WALKER: Yes, ma'am. It will be  
2 handled in the same manner that we handle TCG Chicago, TCG  
3 Illinois, and TCG St. Louis today. We have a number for the  
4 customers to call for any billing information that they need.  
5 And it is stated on the application.

6                   JUDGE BENN: Okay. Thank you. Will you  
7 employ in-house or third party technical support?

8                   MR. WALKER: We have in-house technical  
9 support, and for repair services, they use technical support in  
10 Illinois. AT&T Illinois actually provides repair service, so  
11 there would be some technical support on the repair side  
12 provided by AT&T Illinois.

13                  JUDGE BENN: Will Teleport Communications  
14 America, LLC abide by all Federal and State laws governing  
15 slamming and cramming of its customers?

16                  MR. WALKER: Yes, ma'am.

17                  JUDGE BENN: And can you describe your  
18 procedure for protecting the customers from slamming and  
19 cramming?

20                  MR. WALKER: We have a standard policy on  
21 record for slamming and cramming. I can provide you with that.  
22 It's rather detailed.

1 JUDGE BENN: Okay. That will be fine.

2 MR. WALKER: Yes, ma'am.

3 JUDGE BENN: Thank you. Going to your

4 managerial staff that I've seen listed in the application, can

5 you please tell me if the managerial staff named in the

6 application has changed or do you expect the managerial team to

7 remain in tact going forward?

8 MR. WALKER: I expect for it to remain in

9 tact.

10 JUDGE BENN: Have there been any additional

11 experience, business experience or educational experience that

12 has come about with any of the members of the managerial team

13 that you wish to state at this time?

14 MR. WALKER: No, ma'am.

15 JUDGE BENN: Will the organizational

16 structure of the applicant remain the same?

17 MR. WALKER: Yes, ma'am.

18 JUDGE BENN: With regard to the financial

19 statements presented with the application, can you tell me if

20 the overall financial picture for Teleport Communications

21 America, LLC has remained the same or been positively or

22 negatively impacted since the filing of this application?

1 MR. WALKER: It's the same.

2 JUDGE BENN: Okay. Do you expect the  
3 financial position of the applicant to remain positive in the  
4 future?

5 MR. WALKER: Yes, ma'am.

6 JUDGE BENN: Okay. I am going to go off the  
7 record real quickly.

8 (Off the record.)

9 JUDGE BENN: Going back on the record.

10 Mr. Walker, is it your opinion that  
11 Teleport Communications America, LLC possesses sufficient  
12 managerial, technical, and financial resources to provide local  
13 and interexchange telecommunications services in the State of  
14 Illinois?

15 MR. WALKER: Yes, ma'am.

16 JUDGE BENN: Do you believe it's in the  
17 public's best interest for the Commission to grant the  
18 certificates of authority to the applicant to provide these  
19 services in the state?

20 MR. WALKER: Yes, ma'am.

21 JUDGE BENN: Ms. Cheng, do you have a  
22 recommendation with regard to the application of Teleport

1 Communications America, LLC?

2 MS. CHENG: Yes, your Honor. Staff has  
3 reviewed the application and the attached documents along with  
4 testimony, and it is my conclusion that Teleport Communications  
5 America, LLC does possess necessary technical managerial  
6 resources as well as financial resources to operate as a local  
7 exchange, interexchange telecommunications services and  
8 facilities based carrier and resellers of telecommunications  
9 services here in Illinois.

10 JUDGE BENN: Okay. I will note your  
11 recommendation for the record, and I will also note that I will  
12 make a recommendation to the Commission based on staff's  
13 recommendation that the certificates of authority for Teleport  
14 Communications America be considered granted at a future bench  
15 session.

16 I'll also note the exhibits that have  
17 been attached to the application have been included in the  
18 record, and I will continue the matter generally for five days  
19 for counsel to file the information regarding the state's  
20 authority where the applicant has been afforded a certificate  
21 and their slamming and cramming policies for Federal and State  
22 laws.

1 MS. HERTEL: Your Honor, would it be sufficient if  
2 we instead of providing the actual policy just did a brief  
3 description of what our standard policy is on slamming and  
4 cramming?

5 JUDGE BENN: Yes. I'm just looking for a standard  
6 policy, something brief as well as the list of states.

7 MS. HERTEL: So we should do those as lay  
8 file exhibits?

9 JUDGE BENN: Yes. Is there anything else for  
10 the record from Ms. Hertel?

11 MS. HERTEL: I just want to talk about  
12 procedurally if you would like us to prepare a draft proposed  
13 order?

14 JUDGE BENN: That will be fine. You can also  
15 prepare a draft proposed order and serve that when you have it  
16 then.

17 Is there anything else for the record?

18 All right. Then the matter is continued generally for those  
19 filings, and I thank everyone for their time. I'll make the  
20 recommendation at a future bench session.

21 MS. HERTEL: Thank you.

22 (Adjourned at 11:20 o'clock a.m.)